



STARHUB LTD

Co. Reg. No. 199802208C

26TH ANNUAL GENERAL MEETING & EXTRAORDINARY GENERAL MEETING

Responses to Substantial & Relevant Questions

Submitted by Shareholders

Singapore, 17 April 2024 – StarHub Ltd (“**StarHub**”) thanks shareholders for their interest in submitting questions in advance of our 26th Annual General Meeting (“**AGM**”) to be convened and held at on 25 April 2024 at 10.00 a.m. and our Extraordinary General Meeting (“**EGM**”) on the same day at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM).

Responses to all substantial and relevant questions received relating to the resolutions tabled for approval at the AGM and EGM are as listed in Annex A (Responses to Shareholders). The responses make reference to StarHub’s Annual Report 2023, which has been published on SGXNet and is also accessible at StarHub’s Investor Relations website at <https://ir.starhub.com/misc/ar2022/index.html>.

For full details on StarHub’s latest financial and business performance update for the financial year ended 31 December 2023, please visit the Results Centre section on StarHub’s Investor Relations website.

Following the conclusion of the AGM and EGM, the outcome of the AGM and EGM will be uploaded on SGXNet and made available on StarHub’s Investor Relations website. The minutes of the AGM and EGM will be published on SGXNet and StarHub’s Investor Relations website by 24 May 2024.

67 Ubi Avenue, StarHub Green, 408942, Singapore



STARHUB



Annex A

RESPONSES TO SHAREHOLDERS

1. **With regards to the divestment of D’Crypt, based on the SGX announcement on 13 December 2023, please explain why there is a loss on disposal of approximately S\$18 million despite the estimated consideration being in excess of the book value of the sale shares by about \$39.3 million.**
 - The decision to divest D’Crypt was undertaken after an ongoing review of our businesses and portfolio investments to sharpen our focus on our Enterprise business on offering converged solutions in the areas of Connectivity, Cloud and Cybersecurity.
 - D’Crypt, which focuses primarily on hardware development for the defence industry, as part of this ongoing review, was assessed as non-core to our DARE+ as well as Cybersecurity strategy. The divestment will allow the Group to optimise our resources on other businesses going forward.
 - The consideration was arrived at after considering the historical financial performance and growth potential of D’Crypt as well as the rationale for the proposed transaction.
 - We recognised S\$16.6 million in impairment relating to the D’Crypt divestment announced in 4Q2023. This can be found in the MD&A commentary. This impairment is computed by comparing the consideration against the carrying value of the investment in our balance sheet, which is based on the purchase consideration at the time of investment.

2. **Please explain why StarHub’s interest in Ensign is stated as 55.73% in the annual report (pg. 10). It was 60% when Ensign was formed in October 2018.**
 - Over the last few years, there have been several rounds of capital raising by Ensign. The Board and management of StarHub deliberates and decides whether to participate in each round of capital raise. Should StarHub decide not to participate in the capital raising, StarHub’s interest in Ensign will be diluted accordingly.
 - Ensign is increasingly a critical component of StarHub’s enterprise strategy focusing on the convergence of Connectivity, Cloud and Cybersecurity. This will be a key consideration for future rounds of capital raising by Ensign, as StarHub is committed to retaining a majority interest in Ensign.



3. **I am concerned that after more than five years since its formation, Ensign has not been able to achieve meaningful profitability despite the uptrend in digitalisation and increasing needs for cybersecurity services. Please comment.**

- Ensign has continued to sustain double-digit revenue growth since its formation in 2018, demonstrating its strong growth trajectory as Asia's largest pure-play Cybersecurity Services company with a comprehensive and complete offering.
- As a young, growing company, Ensign is investing in acquiring the right talent amidst a global talent crunch in the Cybersecurity sector, as well as research and development to ensure Ensign is always ahead of the curve as new cyber threats emerge.
- Ensign's current priorities are to drive topline growth and capture market share; we will shift the focus to improve profitability once Ensign has achieved sufficient scale.
- Ensign will continue to seek aggressive revenue growth through (a) pursuing larger and more complex projects; (b) new capabilities; (c) ensuring deeper footprint in existing markets; and (d) pursuing 5G opportunities spurring demand for Cybersecurity services.

4. **With the normalisation of international travel, has StarHub's roaming revenue continued to recover? Is it now close to the pre-pandemic level?**

- In tandem with the recovery of international travel, StarHub has seen YoY recovery in roaming revenue. While we have not yet returned to pre-COVID-19 levels, the need for staying connected with their mobile services while overseas is becoming integral to our customers.
- Apart from roaming recovery, StarHub is focused on driving greater customer lifetime value through our Infinity Play strategy, widening the variety of products and services most relevant to customers living in today's digital age. We invite you to read more about our consumer business' growth strategies on pages 42 to 49 of our Annual Report 2023.

5. **Is StarHub going to continue repurchasing its shares under the \$50 million Share Buyback programme that was announced last year?**

- To demonstrate our resolve to enhance long-term shareholder returns, StarHub reiterates its commitment to its \$50 million Share Buyback Programme established in June 2023 to repurchase up to 3% of StarHub's issued share capital, or 51.9 million shares.
- As at 31 December 2023, StarHub has repurchased 16.7 million shares, thereby reducing our issued share capital (excluding treasury shares) compared to a year ago.